

FIREFIGHTERS' PENSION SCHEMES
03/2017

WHO SHOULD READ: Chief Fire Officer of the Scottish Fire and Rescue Service
Pensions Administrators

ACTION: For information

SUBJECT: Public Service Pension Indexation and CARE Scheme
revaluation 2017

The purpose of this circular is to:

- Confirm that, in common with other public service pension schemes, there will be a 1% increase in the value of firefighters pensions in payment (or deferred pensions) for the year 2017/2018;
- Advise that the rate to be used for the annual revaluation of benefits accrued in the 2015 Firefighters Pension Scheme by active members will be 2.6%.

Public Service Pensions Indexation

Public service pensions in payment, together with those that are deferred for payment at a future date, are indexed annually based on the annual change in the Consumer Price Index (CPI) measured as at the previous September.

In the 12 months to September 2016, CPI was 1%. As a result, an increase of 1% is to be applied from 10 April 2017 for pensions in payment and deferred pensions.

The UK Government expects to lay the Pensions Increase (Review) Order 2017 later this month.

CARE Scheme Revaluation

The Firefighters' Pension Scheme (Scotland) Regulations 2015 were made under the Public Service Pension Act 2013 (the Act). The 2015 pension scheme is a Career Average Revalued Earnings (CARE) scheme and Section 9 of the Act deals with the annual "in-service" revaluation of CARE scheme benefits, so that they keep pace with the passage of time. The SPPA's website provides [further information](#) on the principles of CARE scheme revaluation.

The Firefighters Pension Scheme (Scotland) Regulations 2015 provide for annual revaluation by reference to average weekly earnings. For active members this is in line with average weekly earnings; for deferred members at the rate of CPI included in any Pensions Increase (Review) Order.



Section 9(2) of the Act requires the change in earnings used for such revaluation to be such percentage increase or decrease as is specified in an order made by HM Treasury. The Public Service Pensions Revaluation (Earnings) Order 2017 will fulfil that requirement in relation to earnings and reflects the increase in Average Weekly Earnings in the 12 months to September 2016. The Chief Secretary to the Treasury has issued a [written statement](#) to this effect, with the [Public Service Pensions Revaluation Order 2017](#) coming into force on 1 April 2017.

The in-service revaluation for the 2015 Firefighters scheme in respect of 2016/17 will be 2.6%.

Claire McGow
Policy Manager
8 March 2017

Contact information

Please contact Claire.McGow@gov.scot if you have any enquiries about this circular. If you have any queries relating to the administration the scheme, please contact the administration team via e-mail at sppafirepensions@gov.scot or 01896 893080.

Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

www.sppa.gov.uk
Telephone: 01896 893000
Fax: 01896 893214



INVESTOR IN PEOPLE

An agency of



The Scottish Government
Riaghaltas na h-Alba